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Mr. Truman's Farewell Evasions

The warning to Stalin made the headlines. The warning to ourselves was played down. "War today between the Soviet empire and the free nations," Mr. Truman said in his last State of the Union message, "might dig the grave not only of our Stalinist opponents, but of our own society, our world as well as theirs." The outgoing President was apocalyptic in his picture of the war of the future. "Man could extinguish millions of lives at one blow, demolish the great cities of the world, wipe out the cultural achievements of the past . . ." Mr. Truman said "Such a war is not a possible policy for rational men."

But if a new war between the giants of East and West threatens their mutual destruction, if such a war is not a possible policy for rational men, then the alternative is co-existence. If the disputes of U.S. and U.S.S.R. cannot be settled on the battle-field without endangering the survival of civilization, then they must be settled somehow at the conference table. The conclusion is inescapable, but Mr. Truman managed again to escape it, as he has all through his years in the Presidency.

Mr. Truman fears war, but remains evasive about peace. The meaning of the H-bomb and the new weapons of destruction is that men must learn to live together on the same planet in mutual forbearance. What Mr. Truman should have said is that in the awful perspective of a new war no pains must be spared to negotiate differences between Washington and Moscow. But Mr. Truman's emphasis was on his old hope that if cold war and containment were continued long enough the Soviet regime would somehow crack up from within. Negotiation requires compromise, but there was in Mr. Truman's message the same self-righteous insistence that any settlement must be on our terms. Some years ago at press conference he made it clear that what he sought was unconditional surrender by Moscow as the price of ending the cold war. Mr. Truman set the mood and Mr. Acheson coined the phrase for it—"total diplomacy." It was to shut the door on negotiation and keep the heat on until the Soviets crumpled.

What happens to us in the meantime? Mr. Truman says we are being "hurried forward" in atomic research "from one discovery to another, toward yet unforeseeable peaks of destructive power." Will this safeguard our own security? "We must realize," Mr. Truman himself warns, "that no advance we make is unattainable by others, that no advantage in this race can be more than temporary."

The more terrible the weapons of destruction grow, the greater must become our fear that the enemy also possesses them, the greater our frenzied effort to remain ahead. The atmosphere and momentum of an atomic arms race spell ever greater insecurity at ever greater cost. Like a new war, this too is no policy for rational men.

We can impose tension on the Soviet system only by imposing tension on ourselves. The tension which we hope will disintegrate the Soviet system from within may do the same to our own. Mr. Truman warns against "fear that breeds more fear, sapping our faith, corroding our liberties, turning citizen against citizen . . . Fear could snatch away the very values we are striving to defend." But how avoid that fear in a world of mounting tension, hate and war preparations?

To pursue such a policy with stubborn blindness while warning against its inevitable consequences is to give a drunken party and salve one's conscience with a lecture on alcoholism. "Already the danger signals have gone up," Mr. Truman says piously. "Already the corrosive process has begun . . . every diminution of our tolerance, each new act of enforced conformity, each idle accusation, each demonstration of hysteria—each new restrictive law—is one more sign that we can lose the battle against fear." It is also a sign that we cannot wage cold war on Soviet society without waging cold war on our own.

Mr. Truman thinks of himself as a liberal. It is at once something subtler and more human than hypocrisy which leads him to say, "We must take our stand on the Bill of Rights. The inquisition, the star chamber, have no place in a free society." The same capacity for inviting war in the name of peace made it possible for him to launch star chamber loyalty purges and peacetime sedition prosecutions while preaching civil liberties. The man who devoted most of his years in the White House to propagating alarm ends by warning us "The Communists cannot deprive us of our liberties—fear can."

But how make people accept the heavy burdens of cold war without injecting ever greater doses of fear and suspicion? If the purpose is to preserve liberty and safeguard peace, the cold war is no more rational than another world war would be. In any case the one, if continued, must lead inevitably to the other. At the Pentagon indeed these last words of Mr. Truman's must seem little more than smoke-screen to hide the full import of current military preparations from civilians.

Washington's Farewell Address had better advice than Truman's. Washington warned the new Republic—and the warning now seems prophetic—not to cherish "permanent inveterate antipathies against particular nations." Washington saw that hatred could be one of the most entangling of all entangling alliances. He said "the nation which indulges toward another an habitual hatred . . . is in some degree a slave. It is a slave to its animosity." Only negotiation, coexistence and peace can emancipate us from the campaign of hate and its hateful consequences.

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New Light on the Korean Mystery

Was The War No Surprise to Chiang Kai-shek?

The Senate report on McCarthy makes it possible to throw new light on one of the most tantalizing episodes in the Korean War. This concerns the burst of speculation in soybeans on the eve of the war. In touching on McCarthy's own successful flier in soybeans later that same year, the report asks whether he had confidential information "with respect to the trend of the soybean futures market" and adds an intriguing parenthesis. It says "Just prior to the transaction in question, the Commodity Exchange Authority of the Department of Agriculture conducted an investigation of alleged soybean market manipulation involving, among others, a number of Chinese traders."

The report on McCarthy is not too intrepid a document. It was not surprising, on inquiry at the Department of Agriculture, to discover that the Senate Subcommittee on Privileges and Elections had omitted from the report its own biggest news "scoop" in the soybean story. Inquiry at the Department turned up (1) the full text of a report on its investigation into soybean speculation and (2) a list of the Chinese who took part in this trading. The original report, issued on August 10, 1950, passed almost unnoticed at the time outside grain publications. It withheld the names of the Chinese speculators. But in the file of the Agriculture Department's later press releases on the subject there turned up a statement of last November 26 saying that the Senate Subcommittee on Privileges and Elections had asked for the names and addresses of the Chinese traders "referred to, but not identified" in the original report. Attached was a list of names, with their holdings in soybean futures when the Korean war began.

The Department declined to identify the names further, but one of the largest speculators on the list turned out to be T. V. Soong's younger brother, T. L. Soong. "T. V." is, of course, Chiang Kai-shek's brother-in-law. One of the smaller speculators was Nationalist China's executive director on the board of the International Bank for Reconstruction and Development. These directors are appointees of the governments they represent. Though such names confirm what had hitherto only been suspected—that "insiders" close to Chiang and his government played a prominent part in the speculation—the Senate committee did not even mention its discovery.

If the Korean War was a surprise attack, how is it that Chinese close to Chiang began to speculate in soybeans in the weeks before the fighting broke out? The question was first raised by the *Monthly Review* in its issue of October 1951. A "Footnote to Korea" by the editors, Leo Huberman and Paul Sweezy, called attention to the unsuccessful effort of the late Senator McMahon during the MacArthur hearings to elicit information from Secretary of State Acheson on reports that certain Chinese had cornered the American soybean market at the time the Korean War began. The "Footnote" put that obscure colloquy into new and startling light by coupling it with an item published two months later, on August 16, 1951, on the financial page of the *New York Herald Tribune*. This item said that some 50 Chinese living in the United States and abroad had cleaned up $30,000,000 in speculative operations in soybeans "just before" the war.

Just how extensive these operations were was not clear until now. The original Department of Agriculture study to which the McCarthy report calls attention shows that Secretary Acheson was perhaps less than candid in his answers to Senator McMahon. The Senator wanted to know whether Acheson had ever discussed with Secretary of Agriculture Brannan "a corner that's supposed to have existed in the soybean market a year ago last June in the hands of certain Chinese in this country." A "year ago last June" was when the Korean War began. The casual listener would assume from the Acheson replies that the matter was of little importance and that little was known about it (p. 2187, vol. 3, MacArthur hearings):

> SECRETARY ACHESON: Yes, I have discussed it with him.
>
> SENATOR MCMAHON: Is there anything that you can say at this time concerning the personalities who were engaged in that operation . . .?
>
> SECRETARY ACHESON: I don't know that I ever knew who the personalities involved were.

In the light of the information now turned up, this "I don't know that I ever knew" seems superbly evasive. If the Secretary of State discussed the matter with Secretary of Agriculture Brannan, they must have considered it of more than routine importance. Brannan could hardly have failed to tell Acheson that a full investigation had been made by the Agriculture Department's Commodity Exchange Authority and that the names of all the participants were known, as the report of August 10, 1950, shows.

This neglected report begins to indicate the full dimensions of the skeleton the Secretary of State wished to keep securely closeted. The story the Department of Agriculture report unfolds begins several months before the Korean War. The war broke out on June 25, 1950. Four months earlier, the Commodity Exchange Authority of the U. S. Department of Agriculture began to receive "a large number of complaints" from processors of soybeans in this country that the soybean futures market had fallen "so completely under the control of speculators" that it could no longer serve for legitimate hedging operations. One complainant pointed out that more soybeans were being traded on the Chicago market than all the other principal grain futures combined; another, that the sudden sharp rise in soybean prices "is helping only the speculators as a large majority of the farmers have already disposed of their farm holdings." The Commodity Exchange Authority began to investigate and found "very sizable trading by persons with Chinese names, and in some instances with Hong Kong addresses." Speculation in futures by Chinese is not unusual but "no previous instance had been found," it said, "in which Chinese held as large a proportion of the total open contracts in any commodity."

The Commodity Exchange Authority wondered why the Chicago Board of Trade reduced speculative margins on soybeans on March 13 "from the already low level of 8.3 percent to 6.1 percent . . . in the face of an active market." In the four weeks which followed, the daily average volume of trading rose to 15 million bushels a day, as compared with 10 million daily in the preceding four weeks. Since few suspected that war was coming in the Far East, it was thought that Chinese Nationalist interests were trying to corner the market. On August 7, 1950, the Chicago Journal of Commerce carried a front page item stating that the President of the Chicago Board of Trade had refuted previously published reports that a virtual corner of soybeans by "Chinese Nationalist" interests had been instrumental in causing prices to soar from $2.20 to $3.45 a bushel. The refutation was made to look somewhat sickly when three days later the Commodity Exchange Authority issued its report on "Speculation in Soybeans," the report from which the quotations here were taken. This showed that by June 30, 1950, 56 Chinese accounts held almost half of all open contracts for July futures on the long side of the market, *i.e.*, of those playing for a rise in price.

The inference is irresistible though not necessarily correct that inner Chinese Nationalist circles knew war was coming and cashed in on their knowledge. If this ugly inference is false, the Nationalists should be anxious for a Congressional investigation which would clear them of suspicion that a group of them made themselves a nice little profit of $30,000,000 on a war which has cost the American people and its allies heavily in lives and money. It may be, of course, that they had informers in Red China who tipped them off to a coming attack from North Korea. It may also be, as I indicated in my book, *The Hidden History of the Korean War*, that Chiang and Syngman Rhee provoked the attack from the North. It should not be forgotten that in this, as in any other unsolved crime, it is useful to begin by determining who benefitted. The biggest beneficiary of the Korean War was Chiang Kai-shek. The war diverted the Chinese Reds from their plans to attack Formosa. It gave him a virtual American protectorate over Formosa, and an increased flow of American aid. The $30,000,000 in that perspective is small change, but an investigation into that small change might throw a flood of new light on the origin of a conflict which threatens to engulf the globe in World War III.

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I. F. Stone's Weekly

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COMMENT

Fate of the Compass

This weekly represents an attempt to keep alive through a difficult period the kind of independent radical journalism represented in various ways by PM, the New York Star and the Daily Compass. This new enterprise embodies the hope that by beginning on a rock-bottom basis it will prove possible to survive and expand. In launching the new weekly, I want to salute Ted O. Thackrey for the endless ingenuity and sheer grit with which he managed for three and a half years to keep the Compass alive. The bald economics of daily newspaper publishing is enough to make the stoutest heart quail. T. O. T. performed a miracle in keeping the Compass going as long as he did. I am afraid it will be a long time before anyone else manages to duplicate his feat.

Many subscribers have written to ask what happened to the Compass and why it closed without an announcement. I cannot speak for T. O. T. but I know that on earlier occasions he had managed to pull a new rabbit out of the hat at the last moment just when all seemed over. He hoped that dismal day before election in November that he could do it again. The Compass closed down like the New York Star and PM before it for the simple reason that it ran out of money. It ran out of money for the simple reason that there were not enough people in New York City who wanted an independent paper of its kind deeply enough to go on buying it regularly. Those readers who stuck to it through some very thin days to the end made up in one sense for the inadequacy of their numbers by the quality of their devotion. But that was not enough to balance the books.

It is not true that the Compass was shut down by Corliss Lamont or that its closing was a result of the fact that T. O. T. and I both supported Stevenson rather than the Progressive Party in this past election. Had it not been for Lamont the paper would have closed much sooner. He stuck to the end and made heavy sacrifices for the paper. He never tried in any way to dictate its policies. Those of us who worked on it owe him a vote of thanks.

What He Held In His Hand

Speaking of Stevenson: Readers will be interested in the November 22 and December 13 issues of the Jesuit weekly America. The editor-in-chief, the Rev. Robert C. Hartnett, took McCarthy apart for the job he did on Stevenson in McCarthy's TV address of October 27. "I hold in my hand a photostat of the Daily Worker," said the Senator, but ducked out before reporters could look at it. The photostat was supposed to prove that the Communists supported Stevenson. Father Hartnett reported that he could find no such article in the Daily and McCarthy replied by sending him the photostat. But the photostat turned out to be the last of three articles by Alan Max called "I. F. Stone and the Fight Against McCarthyism," in which as Father Hartnett said the Daily Worker "beat the Compass over the head and read it a long lesson for being indulgent toward the Stevenson candidacy." The Jesuit editor labelled McCarthy's tactics "vicious falsehood." Next time McCarthy does an "I hold in my hand"—his favorite stance—it would be more discreet of him to keep holding it where no newspaperman can see it. Father Hartnett deserves applause for his scoop and for taking out of Holy Writ and into the hot arena of politics the injunction which fits McCarthyism, "Thou Shalt Not Bear False Witness."

Best People in The U. S. A.

A personal word is in order. I feel as if I am going to work for the best people in the U. S. A. The morning mail since I announced the Weekly has been an inspiration. More than 5,000 subscriptions came in before publication, and with them the kindest notes of good wishes any newspaperman could want. There were letters and subs from all over the United States and Canada. Small towns in Nevada, the Ozarks and Arkansas; out-of-the-way communities in Saskatchewan and the Deep South, are represented on the subscription list along with New York and the big cities of the East and Pacific Coast. I start with no obligations except those of gratitude and conscience, independent as Sandburg's hog on ice. I believe there remains a solid substratum of good sense and good will in this country, that there are still people willing to listen to an opposition point of view if fairly, accurately and soberly presented. I intend to fight for peace and for civil liberties—and I believe that both are indivisible. If readers will be charitable at the start, and give me a little time to get the hang of this format, I will try and do a good job.

Clemency for The Rosenbergs

As we go to press for the first time, the final fate of the Rosenbergs is in the hands of President Truman. Those who have known Mr. Truman in the capital during his years in the Senate and the White House know that he is a man of warm heart and instinctive humanity. I hope that he will commute that barbaric and savage death sentence. The Rosenberg trial, bad as it was, was considerably more fair than the kind of drum-head procedure in which people like Slansky were convicted of weird charges and whisked off without appeal to execution. The commutation of sentence would really put a proud note in the Voice of America, a magnanimous note worthy of a great nation. There is lynch fever and blood lust in the Rosenberg case, a primitive urge to kill linked with superstitious awe for the atom bomb, which has become a kind of American tribal god and totem. The execution of the Rosenbergs would be a victory for all that is dark and dubious in our unconscious as a nation and a people.

Please Excuse

The rush of subscriptions has been so heavy that it has been impossible to check the names of subscribers against the mailing lists I have been using. So if you find yourself with two copies—one a free sample, please pass it on to a friend. If you have not yet subscribed, please do so now, using the subscription blank on the reverse side. Save this first issue, a complete file will some day be valuable and I will soon offer a permanent binder at nominal cost specially made for the weekly. New subscribers can still get the first issue. To the many who took the trouble to drop a note with their subscription, my heartiest thanks and apologies for not being able to answer all well-wishers personally. I hope General Eisenhower feels as encouraged about his inaugural as I do about mine.

I. F. Stone

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Who Will Watch This Watchman?

The Romans had a saying, "quis custodiet custodiem?" —who will watch the watchman? The wry question applies patly to the case of Joe McCarthy. The Senator who is now the chairman of the Senate's key watchdog committee is the Senator who most needs watching. The report made on McCarthy by the Senate subcommittee on privileges and elections is a monument to the ineptitude of gentlemen in dealing with a brawler who pays no attention to the rules, Queensbury or otherwise. The report, spottily covered in the nation's newspapers despite a very full account sent out (to its credit) by the Associated Press, is the first official full length portrait of the most brazen operator to appear in the U. S. Senate since the days of Huey Long.

The new document is the third Senate report which has found McCarthy mixed up in funny business on which action by law enforcement agencies has been asked. A subcommittee of the Senate armed services committee reporting in October, 1949, called for investigation by the Justice and Defense Departments into the campaign to save the Malmedy slayers. McCarthy figured in this as an advocate of strict Anglo-Saxon due process for the SS men who killed 350 unarmed American prisoners and 150 Belgian civilians in the Battle of the Bulge. Nothing happened. The Rules committee in August, 1951, suggested State and Federal inquiry into the financial irregularities and defamatory tactics of the campaign in which McCarthy helped defeat Millard Tydings for reelection to the Senate the year before. Again nothing happened. It is now the honor of the Senate, not McCarthy, which is going down for the third time.

McCarthy cannot complain that he got less than the due process due him. Six times the subcommittee invited him to appear and rebut the charges bravely made by former Senator Benton, six times McCarthy failed to show up. The subcommittee lacked the nerve to subpoena him.

The picture drawn by the new report is of a man who cannot resist speculation on margin. His activities in and out of the market since 1942 are those of a born gambler. A series of financial difficulties were eased by some odd transactions of which the $10,000 he received from Lustron for a housing pamphlet is the best known. Newly brought to light in this report is the $20,000 note signed for McCarthy by the Washington representative of Pepsi-Cola at a time when the Senator's bank account in Wisconsin was over-extended. Pepsi-Cola was then lobbying for decontrol of sugar and McCarthy was chairman of a Senate subcommittee—on sugar!

McCarthy's financial accounts are hectic. From January 1, 1948, to November 12, 1952, he deposited $172,000 in one Washington bank; his administrative assistant and alter ego, Ray Kiermas, deposited $96,000. Of these amounts almost $60,000 deposited by McCarthy and almost $45,000 deposited by Kiermas "has not been identified as to source." The Senator's most successful speculation was his flier in anti-Communism. Contributions flowed in after his famous attack on the State Department, February 9, 1950. In the months which followed more than $20,000 was deposited by him in a special account used for donations to help him fight Communism. "However," the report says dryly, "no connection could be established between many of the disbursements from this account and any possible anti-Communist campaign." In one case traced by the committee, McCarthy deposited a $10,000 loan to fight Communism in a special account, and then withdrew it three weeks later to pass on to a friend for a speculation in soybeans. (See page two for the international side of this soybean story.)

Outgoing Democrats and incoming Republicans will live equally to regret that they did not cut McCarthy down to size when they had the chance. With his congenital cheek and the enormous powers conferred upon him by his key Senate chairmanship, McCarthy promises to become Eisenhower's chief headache. McCarthy is in a position to smear any government official who fails to do his bidding. With much daring and few scruples, McCarthy can make himself the most powerful single figure in Congress and terrorize the new Administration. All those mumblings and rumblings about how Communists are "already infiltrating" the Republicans are indicative.

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